



Frontier Airlines, Inc.  
P.O. Box 492065  
Denver, CO 80249-7312

May 9, 2020

**VIA EMAIL**

AMCK Aviation Holdings Ireland Limited  
28/29 Sir John Rogerson's Quay  
Dublin 2, Ireland  
Attention: the Directors

Re: AMCK Aviation Holdings Ireland Limited's ("AMCK") Notice of Termination (the "**Notice**") of the Framework Agreement dated as of March 15, 2020 between Frontier Airlines, Inc. ("**Frontier**") and AMCK

Ladies and Gentlemen:

We are in receipt of your Notice. We are shocked by AMCK's sudden decision to attempt to rescind the Framework Agreement dated as of March 15, 2020 relating to the purchase and leasing of six (6) new Airbus Model A320-251N Aircraft (the "**Framework Agreement**").

As our single largest lessor, AMCK appears to have prioritized taking advantage of the on-going global crisis for its own financial gain over working with its airline partner to get through this together.

AMCK is not entitled at this time to terminate the Framework Agreement based on non-payment of rent. AMCK clearly and unequivocally temporarily waived Frontier's payment obligations under our existing aircraft leases pending the outcome of our active and on-going good faith negotiations over rent deferral and deferral of new upcoming aircraft deliveries. As a result, Frontier is not in default under the Framework Agreement and AMCK's attempt to terminate the Framework Agreement is itself a default. Frontier will pursue all available legal remedies for AMCK's default if we do not promptly reach a resolution.

On March 16, 2020, Frontier sent a letter to all of its lessors requesting a one-time rent deferral in light of the worsening of the COVID-19 pandemic situation. In this request, Frontier expressly confirmed that the purpose of the deferral was to mitigate the negative impact caused by the COVID-19 pandemic and that it was financially viable and had a strong balance sheet to continue performing its contractual obligations.

After a series of subsequent discussions, on April 6, 2020, the day when the first of AMCK's April rent payments became due, Paul Sheridan, the CEO of AMCK, emailed Jimmy Dempsey, the CFO of Frontier, and agreed that because it would take time for Frontier to reach an agreement with Airbus for the deferral of new aircraft deliveries, AMCK "won't take any actions or call any defaults



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linked to non-payment of rents on any aircraft where the rent is due from today to 21 April (ie, for the next 10 working days).”

Since Mr. Sheridan’s April 6, 2020 email the parties have been in active good faith discussions over rent deferral and deferral of new aircraft deliveries. AMCK has repeatedly indicated that it would like to renegotiate the terms of the existing arrangement set forth in the Framework Agreement. Even though the Framework Agreement is a legally binding and fully enforceable agreement between AMCK and Frontier, Frontier has in good faith diligently continued working with AMCK while carrying on very difficult negotiations with Airbus to defer upcoming aircraft deliveries as requested by AMCK. During this time, it was made clear by Mr. Sheridan’s emails and many subsequent communications between AMCK and Frontier that AMCK was not going to require rent payments on the existing aircraft leases while the parties worked out a global solution that addressed both the rent deferral and the deferral of new upcoming aircraft deliveries.

On April 30, 2020, while Frontier and Airbus were in the midst of negotiating an amendment to the Purchase Agreement, Mr. Sheridan emailed Mr. Dempsey to thank him for Frontier’s efforts in working with Airbus to defer upcoming aircraft deliveries and to propose revised terms on the rent deferral and deferral of new upcoming aircraft deliveries. Specifically, Mr. Sheridan noted that in order for AMCK to continue taking deliveries under the Framework Agreement, all payments need to be “current on May 15, 2020.” In this email, Mr. Sheridan also indicated that AMCK may not be able to secure funding needed for the deliveries covered by the Framework Agreement.

On May 5, 2020, Frontier and Airbus executed an agreement deferring the upcoming aircraft deliveries as requested by AMCK. Throughout this period of time Frontier kept AMCK apprised of the status of its negotiations with Airbus. In fact, Jane O’Callaghan, the COO of AMCK, and Robert Fanning, the Director of Fleet Transactions of Frontier, were in almost daily communication on the status of the Airbus negotiations and the negotiations between Frontier and AMCK. Very recently, Frontier made additional proposals to AMCK with the intent to finalize the rent deferral and new upcoming aircraft delivery discussions, including an email from Mr. Dempsey to Mr. Sheridan on May 8, 2020, and was awaiting AMCK’s response when we unexpectedly received your Notice.

At no point in time did AMCK raise the possibility of terminating the Framework Agreement or requiring that Frontier resume rent payments before May 15, 2020. Rather than wait until May 15, 2020 as indicated in his earlier email, without warning Mr. Sheridan emailed us the Notice.

AMCK provided an express waiver of payment obligations in writing, verbally, and by course of conduct. Frontier acted in good faith based on the reasonable understanding that its obligation to pay rent was temporarily deferred until May 15, 2020 pending the outcome of the negotiations. Frontier is financially capable of making the rent payments and with the recent injection of U.S. Government financial assistance, Frontier remains financially strong.

We respectfully request that AMCK immediately withdraw the Notice so that we can work to promptly reach a mutually beneficial resolution. We value our relationship and sincerely hope that we can get through this without resorting to litigation.



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P.O. Box 492085  
Denver, CO 80249-7312

Sincerely,

A handwritten signature in black ink that reads "Howard M. Diamond".

Howard M. Diamond  
General Counsel and Corporate Secretary